

**COMMUNITY SELF RELIANCE CENTRE (CSRC)**  
**SINDHUPALCHOWK, NEPAL**

**Auditor's Report**  
**&**  
**Annual Accounts**  
**2078/079**

**Submitted By**  
**J.B Rajbhandary & DiBins**  
**Chartered Accountants**

**Bhadra 2079**

# J. B. Rajbhandary & DiBins

CHARTERED ACCOUNTANTS

2nd Floor, (North Wing), Sherpa Mall, Durbar Marg  
Kathmandu, Nepal, P.O. Box : 23725,  
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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY SELF RELIANCE CENTRE

### Report on the Audit of Financial Statements

#### Opinion

We have audited the financial statements of **COMMUNITY SELF RELIANCE CENTRE** (hereinafter referred to as "**CSRC**") which comprise of Statement of Financial Position as at 32<sup>nd</sup> Ashad 2079 (16<sup>th</sup> July 2022), Statement of Grant Receipt and Expenditure, Statement of Cash Flows, Statement of Changes in Reserves for the year then ended and Notes to Accounts.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **CSRC** as at 32<sup>nd</sup> Ashad 2079 (16<sup>th</sup> July 2022), its financial performance, its cash flows and status of reserve for the year then ended on that date in accordance with Generally Accepted Accounting Principles.

#### Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our audit report. We are independent of **CSRC** in accordance with ICAN's Handbook of Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of the Financial Statements that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing **CSRC**'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate **CSRC** or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing **CSRC**'s financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.



As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the Financial Statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **CSRC's** internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on **CSRC's** ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause **CSRC** to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within **CSRC** to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

We have obtained all the information and explanations along with replies to our queries, which to the best of our knowledge and understanding, were necessary for the purpose of the audit. In our opinion, the financial statements comprising of Statement of Financial Position, Statement of Grant Receipt and Expenditure, Statement of Cash Flows and Statement of Changes in Reserves dealt with by this report are in agreement with the books of accounts.

To the best of our knowledge & belief and accordingly to the explanations given and based on our audit, we are of view that the activities carried out are found to be within the objectives of the **CSRC** and the **CSRC** has complied generally with the provisions of the Income Tax Act 2058 relating to withholding tax.

CA Kiran Dongol  
Partner



Place: Kathmandu, Nepal  
Date: 19<sup>th</sup> Bhadra 2079

UDIN: 220918CA00249tLKMH

# Community Self Reliance Centre (CSRC)

## Statement of Financial Position

As at 32<sup>nd</sup> Ashad 2079  
(corresponding to 16<sup>th</sup> July 2022)

S.N	Particulars	Schedule	Current Period	Previous Period
	<b>Assets</b>			
	<b>Non Current Assets</b>		<b>22,486,652</b>	<b>23,678,913</b>
1	Property, Plant and Equipments	1	22,486,652	23,678,913
	<b>Current Assets</b>		<b>19,798,676</b>	<b>25,981,752</b>
2.1	Inventories		-	-
2.2	Accounts Receivables	2	11,713,410	844,997
2.3	Cash and Cash Equivalents	3	8,085,266	25,136,755
	<b>Total Assets</b>		<b>42,285,328</b>	<b>49,660,665</b>
	<b>Liabilities &amp; Reserves</b>			
1	<b>Accumultaed Funds</b>	4	<b>41,837,680</b>	<b>47,161,163</b>
	Designated Funds	4.1	34,743,016	35,918,453
	Restricted Funds	4.2	659,691	3,681,009
	Capital Reserves	4.3	6,434,973	7,561,701
2	<b>Non Current Liabilities</b>		-	-
2.1	Long Term Liabilities		-	-
3	<b>Current Liabilities</b>		<b>447,648</b>	<b>2,499,502</b>
	Accounts payable	5	447,648	2,499,502
	<b>Total Liabilities &amp; Reserves</b>		<b>42,285,328</b>	<b>49,660,665</b>

Significant Accounting Policies and Notes to Financial Statements  
Schedules 1- 9 form integral part of Financial Statement


9

As per our report of even date

  
Saraswati Katawal  
Treasurer

  
Gopal Thapa Magar  
Chairperson



  
CA Kiran Dongol  
Partner  
For and on behalf of:  
J.B. Rajbhandary and DiBins  
Chartered Accountants


  
Hari Prasad Pudasaini  
General Secretary

  
Uma Aryal  
Vice Chairperson



  
Geeta Pandit  
Operation Coordinator

  
Jagat Deuja  
Executive Director

  
Executive Committee Members:

Date: 19<sup>th</sup> Bhadra 2079  
Place: Kathmandu, Nepal



# Community Self Reliance Centre (CSRC)

## Statement of Grant Receipt and Expenditure

For the period from 1<sup>st</sup> Shrawan 2078 to 32<sup>nd</sup> Ashadh 2079

(Corresponding to 16<sup>th</sup> July 2021 to 16<sup>th</sup> July 2022)

Amount in Rs.

Particulars	Schedule	Current Year	Previous Year
Source of Grant	6	56,534,715	76,461,918
<b>Total Grant (A)</b>		<b>56,534,715</b>	<b>76,461,918</b>
<b>Expenditure</b>			
Office General Expenses	7	3,741,213	1,276,474
<b>Project/Program Expenditure:</b>			
Restricted Program Activities	8	52,793,501	75,185,444
Depreciation			
<b>Total Expenditure (B)</b>		<b>56,534,715</b>	<b>76,461,918</b>
<b>Surplus/(Deficit) for the year</b>		<b>-</b>	<b>-</b>
<b>Appropriation of Surplus for the year</b>			
<b>Appropriation to</b>			
Allocation to Capital Reserve		-	-
Allocation to Restricted Reserve		-	-
Allocation to Designated Reserve		-	-
<b>Surplus balance transferred to Balance Sheet</b>		<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Financial Statements  
Schedules 1- 9 form integral part of Financial Statement

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As per our report of even date

Saraswati Katawal  
Treasurer

Gopal Thapa Magar  
Chairperson



CA Kiran Dongol  
Partner

For and on behalf of:  
J.B. Rajbhandary and DiBins  
Chartered Accountants

Hari Prasad Pudasaini  
General Secretary

Uma Aryal  
Vice Chairperson

Jagat Devja  
Executive Director

Geeta Pandit  
Operation Coordinator



Executive Committee Members:

Date: 19<sup>th</sup> Bhadra 2079  
Place: Kathmandu, Nepal

**Community Self Reliance Centre (CSRC)**


**Statement of Cash Flows**

For the period from 1<sup>st</sup> Shrawan 2078 to 32<sup>nd</sup> Ashadh 2079  
(Corresponding to 16<sup>th</sup> July 2021 to 16<sup>th</sup> July 2022)


Amount in Rs.

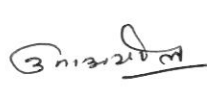
S.N	Particulars	Current Year	Previous Year
<b>A</b>	<b>Cash flow from Operational Activities</b>		
	1. Net Operational Surplus/(Deficit)	-	-
	<b>Adjustments</b>		
	<b>Add:</b>		
	Depreciation for General Assets	65,533	67,042
	Capital Project Expenditure expensed off	-	-
	Fixed Assets Disposed/Written off	-	-
		<b>65,533</b>	<b>67,042</b>
	<b>Working Capital Adjustments</b>		
	Gratuity Plan	-	4,979,349
	(Increase)/Decrease in Current Assets	(10,868,413)	1,765,699
	Increase/(Decrease) in Current Liabilities	(2,051,854)	(785,290)
	Net cashflow from Funds	(4,196,755)	(22,745,356)
	<b>Net changes in working capital</b>	<b>(17,117,022)</b>	<b>(16,785,597)</b>
	<b>Net Cash Flow from Operating Activities</b>	<b>(17,051,489)</b>	<b>(16,718,555)</b>
<b>B</b>	<b>Cash flow from Investing Activities</b>		
	Purchase of Property, Plant & Equipment	-	-
	Proceeds from sale of equipment	-	-
	Investment Return	-	-
	<b>Net Cash flow from Investing Activities</b>	<b>-</b>	<b>-</b>
<b>C</b>	<b>Cash flow from Financing Activities</b>		
	Borrowing of loans	-	-
	Repayments of loans	-	-
	<b>Net Cash flow from Investing Activities</b>		
	<b>Increases/ (Decrease) in net Cash flow (A+B+C)</b>	<b>(17,051,489)</b>	<b>(16,718,555)</b>
	Cash and Cash Equivalents as at 31 Ashadh 2078	25,136,755	41,855,310
	<b>Cash and Cash Equivalents as at 32 Ashadh 2079</b>	<b>8,085,266</b>	<b>25,136,755</b>


As per our report of even date


  
Saraswati Katawal  
Treasurer

  
Gopal Thapa Magar  
Chairperson

  
Hari Prasad Pudasaini  
General Secretary

  
Uma Aryal  
Vice Chairperson

  
Jagat Deuja  
Executive Director

  
Geeta Pandit  
Operation Coordinator

   
Executive Committee Members:

Date: 19<sup>th</sup> Bhadra 2079  
Place: Kathmandu, Nepal



  
CA Kiran Dongol  
Partner  
For and on behalf of:  
J.B. Rajbhandary and DiBins  
Chartered Accountants

# Community Self Reliance Centre (CSRC)

**Statement of Changes in Reserves**  
For the period from 1<sup>st</sup> Shrawan 2078 to 32<sup>nd</sup> Ashadh 2079  
(Corresponding to 16<sup>th</sup> July 2021 to 16<sup>th</sup> July 2022)

				Amount in Rs.
Particulars	Designated Fund	Restricted Fund	Capital Reserve	Total
Balance as at Shrawan 1, 2077	2,986,765	255,008,129	7,559,285	62,437,179
Results for the year				
Allocation of results to Designated Fund	6,048,689			6,048,689
Allocation of results to Restricted Reserves	-	(21,237,120)	-	(21,237,120)
Allocation of results to Capital Reserve	-	-	2,416	2,416
Balance as at Ashadh 31, 2078	35,918,453	3,681,009	7,561,701	47,161,163
Balance as at Shrawan 1, 2078	35,918,453	3,681,009	7,561,701	47,161,163
Results for the year				
Allocation of results to Designated Fund	(1,175,437)			(1,175,437)
Allocation of results to Restricted Reserves	-	(3,021,318)	-	(3,021,318)
Allocation of results to Capital Reserve	-	-	(1,126,728)	(1,126,728)
Balance as at Ashadh 32, 2079	34,743,016	659,691	6,434,973	41,837,680

As per our report of even date

  
Saraswati Katawal  
Treasurer

  
Gopal Thapa Magar  
Chairperson



  
CA Kiran Dongol  
Partner  
For and on behalf of:  
J.B. Rajbhandary and DiBins  
Chartered Accountants

  
Hari Prasad Pudasaini  
General Secretary

  
Uma Aryal  
Vice Chairperson

  
Jagat Deuja  
Executive Director

  
Geeta Pandit  
Operation Coordinator

Executive Committee Members:





# Community Self Reliance Centre (CSRC)

## Fund Accountability Statements

For the period from 1<sup>st</sup> Shrawan 2078 to 32<sup>nd</sup> Ashadh 2079

Particulars	ILC/CBI	ANGOC	ILC-LGWG	ILC-LGWG Transitional Phase	Wilde Ganzen	Pratibaddha	Pratibaddha Phase II	RSLUPI	Land Use Plan
Opening Balance as of Shrawan 1, 2078	181,015		(1,093,131)		(41,246)	(436,234)			3,128,068
Adjustments									
Restated Opening Balance as of Shrawan 1, 2078	181,015	-	(1,093,131)	-	(41,246)	(436,234)	-	-	3,128,068
Fund Received	735,680	49,580	1,831,237	6,389,202		26,102,718	-	570,000	317,176
CSRC Contribution					41,246				
Foreign Exchange Gain/ (Loss)									
Interest Income	404	246		20,387				1,060	
Other Income									(12,000)
Fund Transfers									
<b>Total Fund Available</b>	<b>917,098</b>	<b>49,826</b>	<b>738,106</b>	<b>6,409,588</b>	<b>-</b>	<b>25,666,484</b>	<b>-</b>	<b>571,060</b>	<b>3,433,244</b>
<b>Application of Fund</b>									
Expenditures (Schedule 8.1 to Schedule 8.13)	827,555	-		5,831,980		25,666,484	53,129	570,000	3,433,244
Fund Transfers	89,544		738,106	577,608				1,060	
<b>Total Application of Fund</b>	<b>917,098</b>	<b>-</b>	<b>738,106</b>	<b>6,409,588</b>	<b>-</b>	<b>25,666,484</b>	<b>53,129</b>	<b>571,060</b>	<b>3,433,244</b>
<b>Balance of Fund</b>	<b>-</b>	<b>49,826</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(53,129)</b>	<b>-</b>	<b>-</b>
<b>Represented By:</b>									
Property, Plant & Equipment							-	-	-
Cash & Cash Equivalents		49,826							
Advances							16,307		
Receivables							10,425		
Deposits									
Inter Project Receivables / Payables							(79,847)		
Payables							(14)		
<b>Total</b>	<b>-</b>	<b>49,826</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(53,129)</b>	<b>-</b>	<b>-</b>

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# Community Self Reliance Centre (CSRC)

## Fund Accountability Statements

For the period from 1<sup>st</sup> Shrawan 2078 to 32<sup>nd</sup> Ashadh 2079

Particulars	Care SAMARTHYA	FFPLA	MCM	CRI	Durable Solution III	EPIC	PLA-Oxfam	Restricted Fund	Designated Fund
Opening Balance as of Shrawan 1, 2078	(8,344)	174,417	802,593	-	-	973,871		3,681,009	35,918,453
Adjustments									
Restated Opening Balance as of Shrawan 1, 2078	(8,344)	174,417	802,593	-	-	973,871		3,681,009	35,918,453
Fund Received	3,886,896	4,432,361		2,418,643		5,069,207		51,802,700	-
CSRC Contribution		-						41,246	-
Foreign Exchange Gain/ (Loss)				(4,340)				(4,340)	-
Interest Income	646		3,564	5,286				31,593	365,749
Other Income								-	2,200,027
Fund Transfers	(55,250)							(67,250)	-
<b>Total Fund Available</b>	<b>3,823,949</b>	<b>4,606,778</b>	<b>806,157</b>	<b>2,419,589</b>	<b>-</b>	<b>6,043,079</b>		<b>55,484,958</b>	<b>38,484,230</b>
<b>Application of Fund</b>									
Expenditures (Schedule 8.1 to Schedule 8.13)	3,823,949	4,438,014	607,610	2,056,222	43,955	5,427,485	13,875	52,793,501	3,741,213
Fund Transfers		1,005	3,564	5,286		615,593		2,031,766	
<b>Total Application of Fund</b>	<b>3,823,949</b>	<b>4,439,019</b>	<b>611,174</b>	<b>2,061,508</b>	<b>43,955</b>	<b>6,043,079</b>	<b>13,875</b>	<b>54,825,267</b>	<b>3,741,213</b>
<b>Balance of Fund</b>	<b>-</b>	<b>167,759</b>	<b>194,983</b>	<b>358,081</b>	<b>(43,955)</b>	<b>-</b>	<b>(13,875)</b>	<b>659,691</b>	<b>34,743,016</b>
<b>Represented By:</b>									
Property, Plant & Equipment	-	-	-	-	-	-	-	-	16,051,679
Cash & Cash Equivalents		194,452	194,983	379,778		-		819,040	7,266,226
Advances						-		16,307	-
Receivables					7,317	-		17,742	-
Deposits						-		-	11,485,977
Inter Project Receivables / Payables		(26,693)		(21,697)	(51,272)	-	(13,875)	(193,384)	193,384
Payables						-		(14)	(254,250)
<b>Total</b>	<b>-</b>	<b>167,759</b>	<b>194,983</b>	<b>358,081</b>	<b>(43,955)</b>	<b>-</b>	<b>(13,875)</b>	<b>659,691</b>	<b>34,743,016</b>

Handwritten signatures and stamps are present below the table, including a circular stamp for J. B. Rajbhandary & D. Bins.





# Community Self Reliance Centre (CSRC)

Financial Year 2078/79

## Property, Plant & Equipment

Schedule forming part of the Financial Statement

Schedule-1

Particulars	Land	Building	Vehicles	Equipment	Furniture	Total
<b>Core Assets</b>						
Opening balance	13,204,625	2,912,587	-	-	-	16,117,212
Additions	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
As on 32/03/2079						
Dep. Rate	-	2.25%	9.00%	20.00%	9.50%	
Depreciation		65,533				65,533
Write Off						
Net Value on 32/03/2079	13,204,625	2,847,054	-	-	-	16,051,679
<b>Project Funded Assets</b>						
Opening balance		487,270	3,342,841	2,922,874	808,716	7,561,701
Additions	-	-	137,367	253,120		390,487
Disposal	-	-	-	-	-	-
As on 32/03/2079						
Dep. Rate		2.25%	9.00%	20.00%	9.50%	
Depreciation		10,964	313,221	594,464	76,830	995,479
Write Off / Adjustments		-	-	503,381	18,355	521,736
Net Value on 32/03/2079	-	476,306	3,166,987	2,078,148	713,531	6,434,973
<b>Total Assets</b>						
Opening balance	13,204,625	3,399,857	3,342,841	2,922,874	808,716	23,678,913
Additions			137,367	253,120		390,487
Disposal						
As on 32/03/2079						
Dep. Rate		2.25%	9.00%	20.00%	9.50%	
Depreciation		76,497	313,221	594,464	76,830	1,061,012
Write Off				503,381	18,355	521,736
Net Value on 32/03/2079	13,204,625	3,323,360	3,166,987	2,078,148	713,531	22,486,652

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# Community Self Reliance Center (CSRC)

As at Ashad 32, 2079 (July 16, 2022)

Schedules forming part of the Financial Statement

## Account Receivables

## Schedule-2

S.N.	Particulars	Current Year	Previous Year
<b>A</b>	<b>Project Advances</b>	<b>16,307</b>	<b>98,464</b>
1	EPIC	-	32,464
2	Pratibaddha	-	66,000
3	Pratibaddha Phase -II	16,307	-
<b>B</b>	<b>General Advances/ Deposit</b>	<b>11,485,977</b>	<b>100,000</b>
1	Mahalaxmi Fuel Center- Fuel Security	100,000	100,000
2	IRO Deposit	11,385,977	-
<b>C</b>	<b>Receivable from Various Projects (Common Cost)</b>	<b>193,384</b>	<b>626,434</b>
<b>D</b>	<b>Receivables (Restricted Project)</b>	<b>17,742</b>	<b>20,100</b>
	<b>Total</b>	<b>11,713,410</b>	<b>844,997</b>

## Cash & Cash Equivalents

## Schedule-3

A	Particulars	Current Year	Previous Year
	<b>Cash at Bank (Restricted Fund)</b>		
1	Care: SAMRTHYA I	-	2,571
2	UN Habitat-FFPLA	194,452	199,759
3	ILC CBI	-	306,517
4	ILC /LGWG	-	46,340
5	WILDE GANZEN	-	7,434
6	MCM	194,983	802,593
7	EPIC	-	1,291,354
8	Land Use Plan	-	3,133,271
9	Pratibaddha	-	21,232
10	ANGOC	49,826	-
11	CRI	379,778	-
	<b>Total (A)</b>	<b>819,040</b>	<b>5,811,072</b>
<b>B</b>	<b>General Balances</b>		
	<b>Cash at Bank (Designated Fund)</b>		
1	Nepal Investment Ltd.(250979)	1,166,131	1,163,650
2	Nepal Investment Bank (CORE)	784,778	724,090
3	Nepal Investment Bank (CFLI)	-	810
4	Siddhartha Bank	1,985,999	2,053,010
5	Kumari Bank Ltd. 4047	-	1,043
6	Nepal Investment Bank -2 (0250962)	3,258,918	4,324,456
7	Nepal Bank Limited (136458000001)	50,624	50,624
8	Siddhartha Bank Ltd. (FD)	-	11,000,000
9	Nepal Investment Bank -5 (0319485)	5,000	-
10	Nepal Investment Bank Ltd.(41102)	94	-
11	Nepal Investment Bank Ltd -6 (001-0101-0319492)	5,000	-
	<b>Total (B)</b>	<b>7,256,544</b>	<b>19,317,683</b>



# Community Self Reliance Center (CSRC)

As at Ashad 32, 2079 (July 16, 2022)

Schedules forming part of the Financial Statement

C	Cash Balance		
1	Cash in hand	9,682	8,000
	<b>Total (C)</b>	<b>9,682</b>	<b>8,000</b>
	<b>Total (A+B+C)</b>	<b>8,085,266</b>	<b>25,136,755</b>

## Fund Balance

## Schedule-4

S.N.	Particulars	Current Year	Previous Year
<b>4.1</b>	<b>Designated Fund</b>		
1	Balance as per last year	35,918,453	29,869,765
2	Addition/(Deductions)	(1,175,437)	6,048,689
	<b>Total Designated Fund this year</b>	<b>34,743,016</b>	<b>35,918,453</b>
<b>4.2</b>	<b>Restricted Fund</b>		
1	AGNOC	49,826	-
2	Care: SAMRTHYA I	-	(8,344)
3	FFPLA- UN Habitat	167,759	174,417
4	ILC CBI	-	181,015
5	ILC /LGWG	-	(1,093,131)
6	WILDE GANZEN	-	(41,246)
7	MCM	194,983	802,593
8	EPIC	-	973,871
9	Land Use Plan	-	3,128,068
10	Pratibaddha	-	(436,234)
11	Pratibaddha Phase -II	(53,129)	-
12	CRI	358,081	-
13	Durable Solution -III	(43,955)	-
14	Oxfam	(13,875)	-
	<b>Total Restricted Fund this year</b>	<b>659,691</b>	<b>3,681,009</b>
<b>4.3</b>	<b>Capital Reserves</b>		
1	Opening Balance	7,561,701	7,559,285
2	Additions during current year	390,487	1,019,599
3	Depreciation	(995,479)	(1,017,183)
4	Write Offs	(521,736)	-
	<b>Total Capital Reserves this year</b>	<b>6,434,973</b>	<b>7,561,701</b>
	<b>Total Funds</b>	<b>41,837,680</b>	<b>47,161,164</b>

## Accounts Payable

## Schedule-5

S.N.	Particulars	Current Year	Previous Year
1	Care: SAMRTHYA I	-	10,915
2	FFPLA- UN Habitat	26,693	25,342
3	ILC CBI	-	125,503
4	ILC /LGWG	-	1,139,471
5	WILDE GANZEN	-	48,680

Handwritten signatures and stamps are present below the Accounts Payable table. The CSRC logo is visible, along with a circular stamp from J. B. Rathbhandary & DiBans, Kathmandu, Nepal, Chartered Accountants.

# Community Self Reliance Center (CSRC)

As at Ashad 32, 2079 (July 16, 2022)

Schedules forming part of the Financial Statement

6	EPIC	-	349,947
7	Pratibaddha	-	543,566
8	Pratibaddha Phase II	79,861	-
9	Land Use Plan	-	5,203
10	CRI	21,697	-
11	Durable solution -III	51,272	-
12	OXFAM	13,875	-
13	Pradhan and Shakya Associates	83,625	83,625
14	TDS on Consultancy	3,375	-
15	Nava Raj Thapaliya and Associates	-	167,250
16	Audit Fee Payables	167,250	-
<b>Total</b>		<b>447,648</b>	<b>2,499,502</b>

Source of Grant Receipt

Schedule-6

S.N.	Particulars	Current Year	Previous Year
<b>A</b>	<b>Grants - Restricted Funding</b>	<b>52,793,501</b>	<b>75,185,444</b>
1	Care: SAMRTHYA	3,823,949	3,753,794
2	UN Habitat-FFPLA	4,438,014	3,434,863
3	PIN- Durable Solution	-	10,146,431
4	Freedom Fund-ATAP	-	19,444
5	ILC-CBI	827,555	2,828,619
6	ILC CLPI	-	947,571
7	ILC /LGWG	-	14,389,285
8	WILDE GANZEN	-	239,680
9	FDF	-	3,675,013
10	MCM	607,610	29,319
11	IIED/ EPIC	5,427,485	10,111,268
12	Land Use Plan	3,433,244	22,871,624
13	Pratibaddha	25,666,484	2,738,533
14	Pratibaddha Phase II	53,129	-
15	RSLUPI	570,000	-
16	ILC/LGWG Transtional Phase	5,831,980	-
17	CRI	2,056,222	-
18	Durable Solution III	43,955	-
19	OXFAM	13,875	-
<b>B</b>	<b>Designated Grants Fundings &amp; Other fund raising</b>	<b>3,741,213</b>	<b>1,276,474</b>
<b>Total</b>		<b>56,534,715</b>	<b>76,461,918</b>

Office General Expenses

Schedule-7

S.N.	Particulars	Current Year	Previous Year
1	Bank Charge	1,092	860
2	Organization Renewal Expenses	2,600	3,300
3	Miscellaneous Expenses	818	1,000
4	Depreciation Cost (Core Fund)	65,533	67,042
5	Networking and Membership Fee	24,882	-

Handwritten signatures and stamps are present below the table. The central stamp is for CSRC (आत्मनिर्भर केन्द्र). To the right is a circular stamp for J.B. Rajbhandary & DIBins, Chartered Accountants, Nepal. Other handwritten signatures are visible on the left and right sides.

# Community Self Reliance Center (CSRC)

As at Ashad 32, 2079 (July 16, 2022)

Schedules forming part of the Financial Statement

6	Haruwa Charuwa Field Research	-	1,104,272
7	Support to NLRf	-	100,000
	<b>Common Cost Expenditures</b>		
8	CSRC-Contribution Wilde Ganzen	41,245	
9	Staff Salary	2,524,562	-
10	Consultant fee	161,500	-
11	Annual General Assembly	38,675	
12	External Audit	169,500	
13	Internal Audit	84,750	-
14	International visit expenses	87,277	-
15	Office & Other Management cost	365,673	-
16	Repair and maintenance	18,245	
17	Social Welfare Council Monitoring and visit expenses	140,000	-
18	Transportation DSA and field visit management cost	14,481	
19	Vehicle repair and maintenance cost	380	
	<b>Total</b>	<b>3,741,213</b>	<b>1,276,474</b>

## Restricted Program Activities

Schedule -8

S.N.	Particulars	Current Year	Previous Year
1	Care: SAMRTHYA	3,823,949	3,753,794
2	UN Habitat-FFPLA	4,438,014	3,434,863
3	PIN- Durable Solution	-	10,146,431
4	Freedom Fund-ATAP	-	19,444
5	ILC CBI	827,555	2,828,619
6	ILC CLPI	-	947,571
7	ILC /LGWG	-	14,389,285
8	WILDE GANZEN	-	239,680
9	FDF	-	3,675,013
10	MCM	607,610	29,319
11	IIED/ EPIC	5,427,485	10,111,268
12	Land Use Plan	3,433,244	22,871,624
13	Pratibaddhata	25,666,484	2,738,533
14	Pratibaddha Phase II	53,129	-
15	RSLUPI	570,000	-
16	ILC/LGWG Transtional Phase	5,831,980	-
17	CRI	2,056,222	-
18	Durable Solution III	43,955	-
19	OXFAM	13,875	-
	<b>Total</b>	<b>52,793,501</b>	<b>75,185,444</b>





## Community Self Reliance Center (CSRC)

### Statement of Account of Donor Related Activities Financial Year 2078/79

Sub-schedules forming part of the Schedule-8

ILC- CBI		Schedule-8.1
Particulars		Current Year
<b>CSO Report on SDG</b>		
Multistakeholder Policy dialogue		39,887
<b>BHR</b>		
In-country Dialogues		40,400
Writing cum workshop with CSOs		40,250
<b>Land Conflict Monitoring</b>		
Data Gathering, FGDs with CSOs		98,341
<b>Land Grabbing</b>		
FGDs with CSOs		46,000
Writing		7,777
<b>Case Study on agricultural production in Nepal</b>		259,025
<b>GESI Audit Expenses</b>		295,875
<b>Total</b>		<b>827,555</b>

LGWG- Transitional Phase		Schedule-8.2
Particulars		Current Year
<b>Capacity Building for Implementation of Land related Policies and Legislation</b>		
LGWG Meetings - Develop Joint Proposals		188,807
Support Landless, Informal Settlers and Tenants to Ensure Access and Ownership over the Land		884,853
Support LRFs for Case Documentation		540,382
<b>Human Resource</b>		
Fund Raising Officer		566,871
NES Facilitator/ KPC		1,123,671
<b>Management Cost</b>		372,452
<b>Strengthen NES as a Multi-Stakeholder Platform</b>		
Consultation with Local & Provincial Level Governments to Identify Challenges and Gaps between Policy and Practices and Support on Local Plan Formulation Process		422,952
High-Level Policy Dialogue among Government, CSOs, Political Actors and Academia on "Role of Governments Towards Land Governance and the Policy Making Process"		219,364
Multi-stakeholders' consultations to discuss (1) issues of Land tenure Security and the of Land Act 8th Amendment, (2) Land, Climate Change and Status of the Implementation of Land Use Act, 2019		220,000
Publish Visibility Material/Operate MSP Webpage		158,506
<b>Strengthening Evidence Based Policy Advocacy</b>		
Engage with the Government in Adopting the National Action Plan for UNDFF		542,205
Research on the Implication of Foreign Direct Investment on Land and Agricultural in Nepal		591,917
<b>Total</b>		<b>5,831,980</b>

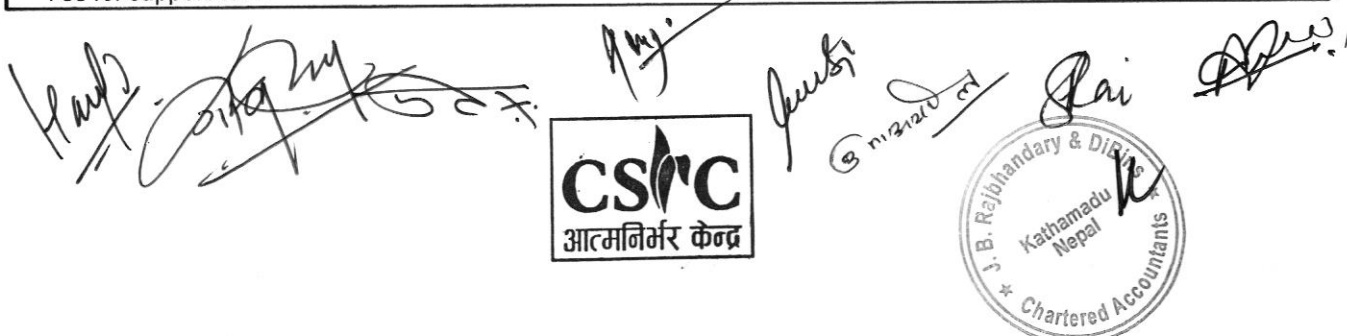


# Community Self Reliance Center (CSRC)

## Statement of Account of Donor Related Activities Financial Year 2078/79

Sub-schedules forming part of the Schedule-8

Pratibaddha	Schedule-8.3
Particulars	Current Year
<b>Guideline development &amp; site assessment</b>	
Accessories for field team i.e. power bank, raincoat, torch, first aid box etc.	108,444
Geo-hazard assessment report sharing with individual local government	576
Geologists	2,117,275
Review and Reflection meeting with technical team and concern stakeholder	885,587
Stationery and report printing	16,800
Technical Consultant	150,000
<b>Operational Cost</b>	
Audit Cost	69,495
Kathmandu & Field Office Costs (Rental, Communication, Hospitality, Occupancy, Supplies, Repairs)	236,791
<b>Project staff</b>	
Advocacy Officers	1,222,998
Advocacy Research and Policy Analyst	844,608
District Advocacy Coordinator	1,135,388
Finance Coordinator	249,930
Finance Officer	513,056
Project Coordinator	640,605
<b>Transportation, Travel and Medical</b>	
Daily Stipend Allowance	463,585
Hygiene kits for project activities	32,143
Jeep (Maintenance, Fuel, Rental) & Local Transportation	241,533
Staff Insurance, PCR Tests	39,154
<b>Human Resources (VAT Part)</b>	
DSA	586,470
Green Infrastructure Advocacy and Development Specialist	4,223,375
Green Infrastructure Trainer	1,139,040
Planning Expert	2,830,930
Project Officer	1,615,900
Quality Assurance Advisor	1,467,745
Training Expert (Senior Professionals)	2,039,650
<b>Reimbursable Expenses</b>	
Communication	34,000
Ground Transport	924,000
Hygiene kits for project activities	14,145
Hygiene kits, PCR tests for project staffs	31,813
Stationaries and office expenses	60,612
<b>Awareness Campaigns</b>	
Awareness event to local community/ social meeting and gathering	150,730
Cost for VCA exercise	58,390
Hire local disseminate/ handover IEC material	18,100
Hire local Resource Persons or Champions to facilitate Awareness Campaign	395,500
<b>Training/ Orientation/ Workshop Events</b>	
Fee for support staff	10,000


  
**CSRC**
  
आत्मनिर्भर केन्द्र
  
J. B. Rajbhandary & D. B.
  
Kathmandu
  
Nepal
  
Chartered Accountants

## Community Self Reliance Center (CSRC)

### Statement of Account of Donor Related Activities Financial Year 2078/79

Sub-schedules forming part of the Schedule-8

Food and Snacks for 2 days workshop event	177,389
Per-diem for support Staff	12,000
Reimbursement of travel expense for participants	70,000
Stationery and Consumables	2,790
<b>Shelter and Non- Food Items</b>	
Distribution and Construction of temporary shelter for most vulnerable households, ensuring safe spaces	674,025
Facilitate access to documentation for accessing government schemes and services for disaster affected populations	25,000
Provision of NFIs	47,935
Referral and outreach support to MH & PSS services and dissemination of Protection messages for displaced communities	88,977
<b>Total</b>	<b>25,666,484</b>

#### Pratibaddha - Phase II

#### Schedule-8.4

Particulars	Amount
<b>Program Staff Travel and Subsistence Costs</b>	
Programme staff Travel and Subsistence costs	12,600
<b>Office/ Warehouse/ Building expenses (Rent, utilities, furniture, consumable, insurance and supplies)</b>	
Kathmandu & field office cost (rental, communication, hospitality, occupancy, suppliers, repair)	33,143
<b>Support staff travel and subsistence cost (International)</b>	
Support staff Travel and Subsistence cost	7,386
<b>Total</b>	<b>53,129</b>

#### RSLUPI

#### Schedule-8.5

Particulars	Amount
<b>Documentation, Dissemination and Learning Sharing</b>	
Publication of process documentation and key achievements	46,160
Review and Reflection Meeting	39,375
<b>Implementation of RSLUP plan through mainstreaming in annual and long term plans including sectoral plans</b>	
Build Capacity of Local Gov Officials and sectoral offices for implementation of Viz-risk	102,147
Develop implementation plan of RSLUP in selected site by organizing multi stakeholders meeting at municipal level	133,636
Set up RSLUP implementation and enforcement body at municipal level in both municipalities	53,814



# Community Self Reliance Center (CSRC)

## Statement of Account of Donor Related Activities Financial Year 2078/79

Sub-schedules forming part of the Schedule-8

Operation Cost (RSLUP)	194,868
<b>Total</b>	<b>570,000</b>

Start- Care		Schedule-8.6
Particulars		Amount
<b>1. Food Security &amp; Livelihoods</b>		
Provide food voucher to flood and landslide affected families and other food vulnerable households		1,161,674
Support supplementary food/ nutrition to PWD, Pregnant and lactating women, children and elderly through food/ Commodity voucher		267,949
<b>2. WASH</b>		
Construction of gender/ user friendly ready to install latrines to support displaced population		299,154
Mobilization of volunteers with protective supplies for the awareness on health and hygiene/ possible disease out-break, identification of possible cases, refer to health facility for treatment and distribution as well as GBV Service messaging		134,000
Provide orientation on Physical, Sexual Harassment Exploitation and Abuse(PSHEA) to user Committees, hygiene volunteers and frontline workers		3,638
Quick fixing of water source/ community level water taps, holding tank support those living in population/ affected communities.		205,502
Risk communication and community engagement on Covid in flood affected communities		40,000
<b>3. Other</b>		
Goods Transportation		96,000
<b>4. Operations Cost</b>		
Admin & Finance Manager		88,822
ED		122,796
Operations		49,334
Project Coordinator		121,766
Support Staff		32,738
Technical Officer		176,591
Travel & Transportation - Local Partner		78,125
<b>5. Shelter and Non Food Items</b>		
Distribution and construction of temporary shelter for most vulnerable households, ensuring safe spaces		555,155
<b>Total</b>		<b>3,433,244</b>

Care-Samarthya		Schedule-8.7
Particulars		Amount
Evidence Based Advocacy/ Research		

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# Community Self Reliance Center (CSRC)

## Statement of Account of Donor Related Activities Financial Year 2078/79


Sub-schedules forming part of the Schedule-8


Bhumi Adhikar Bulletin	62,737
PRRP in National level (cost sharing)	121,856
Support to local government for climate resilient land use planning 4 local government	331,564
Whole Samarthya Project (Including all partner) annual Review and Reflection meeting	186,614
<b>Human Resources</b>	
Admin and Finance Officer (50%)	126,958
Admin Associate (100%)	126,478
Driver (50%)	108,627
PME Coordinator (15%)	118,863
Program Officer (100%)	255,248
<b>Meetings &amp; events</b>	
Meeting with LIRC for sharing the ground level issues and alternatives	157,260
<b>Model Pilot, Scaling, Social Mobilization and Net working</b>	
Details of context mapping and strategic planning of 4 Municipalities	1,297,545
Learning Exchange Workshop among local Government	188,443
Province Level Discussion on local land and agri. Act	396,304
<b>Operation Cost</b>	
Audit Cost	22,883
DSA and Accomodation	97,171
Maintenance	811
Transpotation	103,779
Utilities and Communication	25,888
<b>Organizational and Institutional Development</b>	
Social Audit	94,920
<b>Total</b>	<b>3,823,949</b>

### FFPLA

### Schedule-8.8

Particulars	Amount
<b>Funded by CSRC</b>	
<b>(CSRC)General operating and other direct costs</b>	
Office Utilities and other management cost	-
<b>Staff and other personnel costs(CSRC)</b>	
Admin and Finance Coordinator (20%)	-
Driver (30%) (1 person for 8 months)	-
Logistic Officer (30%) (1 person for 10.5 months)	-
<b>Funded by UNH</b>	
<b>(UNH)General operating and other direct costs</b>	
Office Utilities	51,083
Repair and Maintenance and management cist	117,687
<b>Contractual Services</b>	
Report publication (localization of land administration and informal tenancy	212,835
Strengthening VLRf ( meeting/workshop, food snacks and breakfast )	15,550
Vehicle Hriing cost for field Visit	12,000
<b>Staff and other personnel costs(UNH)</b>	
Co-ordinator at locat level (100%) 2 person	788,381



# Community Self Reliance Center (CSRC)

## Statement of Account of Donor Related Activities

Financial Year 2078/79

Sub-schedules forming part of the Schedule-8

Consultant (1 person 15 days )	776,768
Driver (40%)	59,479
Executive Director (25%) (1 Person for 10.5 months)	143,993
Finance Officer (50%) (1 person for 10.5 months)	214,073
Office Assistant (40%)	54,634
Program officer (100%)	543,532
Surveyor (100%)	226,546
<b>Supplies, Commodities , Materials</b>	
Engaged Dialogue on Land issues especially on policy, Acts and FFPLA	10,249
Study on land use and climate change issues	4,035
Support to scale up of FFPLA tools implementation and land information System (stationery and resource materials )	9,730
<b>Supplies, commodities, materials (UNH)</b>	
Engage Dialogue with 14 Municipality	535,479
Study on tenancy rights and Unregistered tenancy of Land	200,000
Upgrading/updating of LIS	142,354
<b>Travel (UNH)</b>	
Accommodation	49,760
Daily subsistence allowance	87,424
Local fare/Fuel/ Flight costs	143,425
Dangisaran Mulicipality Expenses	38,997
<b>Total</b>	<b>4,438,014</b>

### MCM

### Schedule-8.9

Particulars	Amount
<b>Admin and Management cost</b>	
DSA and Accommodation	5,600
Travel cost	2,010
Donation to Co-operative	600,000
<b>Total</b>	<b>607,610</b>

### CRI

### Schedule-8.10

Particulars	Amount
<b>Accountability and Governance Coordinator (20%)</b>	<b>68,837</b>
<b>Administrative Salaries</b>	
Assistant (50 %)	72,311
Finance Officer (50%)	85,892
Operation Coordinator (20%)	68,837
Community Facilitator (2 Person 9 month)	136,612
<b>Community knowledge and practice on climate change and adaption are documented through valuation</b>	
Orientation to Facilitator and community leaders	27,150
Stationery and other management	8,332
Cost for SWC approval ( M&E Purposes )	70,000

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## Community Self Reliance Center (CSRC)

### Statement of Account of Donor Related Activities Financial Year 2078/79

Sub-schedules forming part of the Schedule-8

Executive Director (20%)	120,470
Landless and smallholders farmers provided with agriculture inputs	356,110
Other Overhead Expenses 7%	158,270
Participatory context mapping through community meetings 2 wards 5 community	155,087
Program Officer (1 person 10 month )	262,356
Regular review , reflection and meeting cost (food,refreshment, stationer and other management)	12,145
<b>Sustainability Fund</b>	
Establish the Data back up ( Computer )	220,350
Intern DSA,Travel cost etc	8,000
Intern Salary	5,187
<b>Training workshops to promote agriculture techniques that are resilient</b>	62,105
<b>Travel,Food, and accomodation during programme monitoring</b>	158,171
<b>Total</b>	<b>2,056,222</b>

#### Durable Solution -III

Schedule-8.11

Particulars	Amount
<b>Operational cost (Office running, utilities, rent, supplies etc.)</b>	
Kathmandu and Field Office Cost	25,810
<b>Travel &amp; Subsistence</b>	
Per diems / Accomodation	6,100
Transportation (including local transport )	12,045
<b>Total</b>	<b>43,955</b>

#### EPIC

Schedule-8.12

Particulars	Amount
<b>Knowledge generation and documentation shred at all level</b>	
Participatory Review and Reflection Process (Workshop)	257,006
<b>TRAVEL COST</b>	
Meals and Accommodation	52,990
Transportation	139,698
<b>Equipment</b>	
Office equipment repair and maintainance	97,847
Overhead (5%)	354,306
<b>REVIEW, MONITORING</b>	
Bhumiadhikar Patrika	158,158
<b>Finance/Admin/Support Personnel</b>	
Driver (100%)	277,746
Finance Officer (100%)	337,644
Operation Coordinator (50%)	300,020
<b>Programme Personal</b>	
EPIC coordinator (100%) 1 Person	676,526
Executive Director (25%)	622,079
Field Officer (100%) 1 Person	421,439







## Community Self Reliance Center (CSRC)

### Statement of Account of Donor Related Activities

Financial Year 2078/79

Sub-schedules forming part of the Schedule-8

Social Mobilizer (100%) 3 persons	374,764
<b>Context Mapping (Community,actors and policy context)</b>	
Audio and visual mapping	200,000
<b>Identify and Organize meetings with like minded groups and networks</b>	
Lunch/Snackas	25,000
<b>Mapping the capacity needs and support to local landless and farmers organisation and prioritiesneeds</b>	
Support as per plan for 2 years	9,910
<b>Reflect Circle for reflective learning and actions on relevant</b>	
Facilitator Cost	195,000
Stationery/Printing	1,200
Training for facilitators (Basic training in year 1 and followup in second year for 6 persons)	51,477
<b>Case study documentation</b>	
Travel and other logistic	142,847
<b>Convey regular policy dialogue</b>	
Dialogue at local level (Food, travel and resource materials)	1,795
<b>Engagement with media</b>	
Lunch/Snacks (National Level)	51,825
Transportation (National Level)	35,910
<b>Micro research into key issues</b>	
Design and Print	74,818
<b>Support plans of Farmer groups for Alternative Entrepreneurship Model</b>	402,520
<b>Social Audit</b>	
Internal Audit	50,850
Stationery and other management	80,335
Travel and other logistics	33,775
<b>Total</b>	<b>5,427,485</b>

#### OXFAM

#### Schedule-8.13

Particulars	Amount
<b>Monitoring and Evaluation</b>	
Meeting cost	13,875
<b>Total</b>	<b>13,875</b>

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**CSRC**  
आत्मनिर्भर केन्द्र



# Community Self Reliance Centre (CSRC)

Sindhupakchok, Nepal

## Significant Accounting Policies and Notes to Accounts

For the year ended 32<sup>nd</sup> Ashad 2079 (Corresponding to 16<sup>th</sup> July 2022)

### Schedule 9

#### 1 Background Information

Community Self-Reliance Center (CSRC) is registered as a non-profit making Non-Government Organization (NGO). Its registered office is located in Sindhupalchok District of Nepal and Liaison office is located at Dhapashi, Kathmandu Nepal. CSRC has campaigned more than a quarter of a century for comprehensive agrarian reform and the land rights of working farmers and tillers. Through this time, CSRC has worked to organize and raise consciousness amongst those deprived of land rights, build public opinion in favor of progressive land reform, and conduct action-research related to land and agrarian issue.

#### 2 Basis of Preparation

##### 2.1 Statement of Compliance

The Statement of Financial Position, Statement of Grant Receipt & Expenditure, Statement of Changes in Reserves, Statement of Cash Flows together with the Accounting Policies and Notes to the financial statements as at 32 Ashad 2079 and for the year then ended comply with the Generally Accepted Accounting Principles.

The Financial Statements were authorized for issue as per decision of Executive Committee dated 04 Sept 2022

##### 2.2 Basis of measurement

The financial statements have been prepared using the historical cost convention.

##### 2.3 Functional and presentation currency

The financial statements are presented in Nepali Rupees (NPR), which is the organization's functional and presentation currency. All financial information presented in Rupees has been rounded to the nearest rupees, except when otherwise indicated.

##### 2.4 Changes in Accounting Policies and Disclosures

The Accounting policies have been consistently applied, unless otherwise stated, and are consistent with those used in previous years.

##### 2.5 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the accounting policies. The management makes certain estimates and assumptions regarding the future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual result may differ from these estimates and assumptions.

#### 3 Summary of significant accounting policies and Notes to Account

##### 3.1 Property Plant and Equipment

##### a. Cost and Valuation

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Kajhbandary & DiBans  
Kathmandu  
Nepal  
Chartered Accountants

All items of property, plant and equipment are initially recorded at cost. Subsequent to the initial recognition of an asset, property plant and equipment are carried at cost less any subsequent depreciation. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditure is recognized in the Statement of Grant Receipt& Expenditure as an expense as incurred.

Buildings owned are used for purposes of CSRC Nepal only and not for income generating purpose and therefore do not fall under the definition of Investment Property.

#### b. Depreciation

Depreciation is provided for on all Property Plant and Equipment on the diminishing value basis and is calculated on the cost of all property, plant and equipment other than land, in order to write off such amounts less any terminal value over the estimated useful lives of such assets.

The annual rates of depreciation currently being used by CSRC based on useful life less residual/terminal value are:

Category	Depreciation Rate
Land	0%
Building	2.25%
Vehicle	9%
Equipment's	20%
Furniture	9.5%

#### Project Assets

Where property plant and equipment is purchased as a part of a project through restricted funds which is initially written off as project cost with corresponding income. On conclusion of the project, the asset is not handed over to the beneficiary or returned to the original donor, the asset is valued on the conclusion of the project with the approval from funding agencies and brought into the financial statements under property, plant and equipment with corresponding credit to a Capital Reserve. Depreciation provided on such assets will be charged against such Capital Reserve. For purpose of depreciation, the date of valuation for inclusion in the financial statements is considered the date of purchase.

#### 3.2 Cash and cash equivalents

CSRC considers and classifies cash in hand, amounts due from banks and short-term deposits with an original maturity of one year or less under the category of "Cash and cash equivalents".

#### 3.3 Inventories

Recurring inventory of consumable stores like office supplies, stationeries, books etc and cost of publications are charged to revenue/project expenditures as and when purchased/paid for. The value is not carried forwarded for the stock lying unutilized. At the end of the year, value of inventory which are unutilized is not significant.

#### 3.4 Provisions

A provision is recognized in the statement of financial position when CSRC has a legal or constructive obligation as a result of a past event, it is probable that an outflow of assets will be required to settle the obligation, and the obligation can be measured reliably.

#### 3.5 Employee Benefits Liabilities

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*[Circular stamp: J. B. Rajbhandary & DiBans, Kathmandu, Nepal, Chartered Accountants]*



### 3.5.1 Leave Liability

Liabilities relating to employees which may arise on account of accumulated annual and casual leave has not been made.

### 3.5.2 Gratuity

The organization has adopted defined contribution plan for Gratuity. 8.33% of the basic salary of employees has been deposited in gratuity fund account of individual employees maintained at Citizen Investment Trust (CIT) on monthly basis.

### 3.5.3 Provident Fund

Provident fund has been provided to staffs of CSRC. Employer contribution to PF along with employee contribution has been deposited at Employee Provident Fund (EPF).

### 3.6 Account Payables

Loans and Borrowings and Accounts payables are stated at their cost.

### 3.7 Accounting for the receipt and utilization of Funds/Reserves

#### Reserves

Reserves are classified as either restricted, designated and capital reserves.

#### a. Designated Reserves/Funds

Unrestricted funds designated by the Board to a specific purpose are identified as Designated Funds. The activities for which these funds may be used are identified in the financial statements.

Where grants are received for use in an identified project or activity, such funds are held in a restricted fund account and transferred to the Statement of Grant Receipt and Expenditure to match with expenses incurred in respect of that identified project. Unutilized funds are held in their respective Fund accounts and included under accumulated fund in the Statement of Financial Position until such time as they are required.

Funds collected through a fund-raising activity for any specific or defined purpose are also included under this category.

Where approved grant expenditure exceeds the income received and there is certainty that the balance will be received such amount is recognized through debtors in the Statement of Financial Position.

#### b. Restricted Fund

The activities for which these restricted funds may and are being used are identified in the notes to the financial statements restricted funds. Such restricted fund may include conditions for refund should there be balance of fund at the end of the project.

Investment Income and other gains realized from funds available under each of the above categories are allocated to the appropriate funds, unless the relevant agreement or minute provides otherwise. Where such income can be used for general purpose, same shall be treated as income in the Statement of Grant Receipt & Expenditure.

### 3.8 Grants and Subsidies

Grants and subsidies are recognized in the financial statements at their fair value. When the grant or subsidy relates to an expense it is recognized as deferred income necessary to match it with the costs over the accounting years, which is intended to compensate for on a systematic basis.

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Grants and subsidies in the form of PPE (Fixed assets) are generally shown as deferred income in the Statement of Financial Position and credited to the Statement of Grant Receipt & Expenditure over the useful life of the asset by the amount of depreciation with corresponding debit to deferred income over more than one accounting period.

In the case of grants received to fund an entire project or activity, which includes the purchase of an asset, and the cost of such asset is charged with the project costs to the Statement of Financial Position, the grant value is recognized as income in the same period as the cost of the asset is charged to the Statement of Grant Receipt & Expenditure. At the end of the project, when there is certain fair value remains of such assets charged to Statement of Grant Receipt & Expenditure, same will be recognized as capital reserve at fair value with corresponding value of PPE. Each year and over its useful life, the depreciation will be charged to capital reserve with corresponding credit to related PPE.

### 3.9 Income recognition

#### a. Contributions/ Incoming Sources

Income realized from restricted funds is recognized in the Statement of Income & Expenditure only when there is certainty that all of the conditions for receipt of the funds have been complied with and the relevant expenditure that it is expected to compensate has been incurred and charged to the Statement of Grant Receipt & Expenditure. Unutilized funds are carried forward as such in the Statement of Financial Position.

Gifts and donations received in kind are recognized at fair value at the time that they are distributed to beneficiaries, or if received for resale with proceeds being used for the purpose of CSRC at the point of such sale. Items not sold or distributed are inventoried but not recognized in the financial statements.

All other income is recognized when CSRC is legally entitled to the use of such funds and the amount can be quantified. This would include income receivable through fund raising activities and donations.

#### b. Financial Income

Interest earned is recognized on an accrual basis when there is certainty of receipt.

Revenues earned on services rendered are recognized in the accounting period in which the services were rendered and accepted by the clients.

Net gains and losses on the disposal of property, plant and equipment and other non-current assets, including investments, are recognized in the Statement of Grant Receipt & Expenditure after deducting from the proceeds on disposal, the carrying value of the item disposed of and any related selling expenses.

#### c. Other income is recognized on an accrual basis except otherwise categorically explained to be on cash basis.

### 3.10 Expenditure recognition

Expenses in carrying out the projects and other activities of CSRC are recognized in the Statement of Grant Receipt & Expenditure during the period in which they are incurred. Other expenses incurred in administering and running CSRC and in restoring and maintaining the property, plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the Statement of Grant Receipt & Expenditure.

### 3.11 Taxation

CSRC has obtained and renewed the tax exemption certificate from Inland Revenue Office and accordingly no provision for income taxes has been made. CSRC has considered all its grant and income within the objectives as specified in its constitution.



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Interest income net of advance tax withholding has been considered as income with final withholding and accordingly additional tax has not been considered.

The organization is in due compliance in relation to the withholding tax requirements as specified by Income Tax Act, 2058 and has been duly depositing such withheld tax within the time frame specified.

### 3.12 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of CSRC. It may also be a present obligation that arises from past events but in respect of which an outflow of economic benefit is not probable or which cannot be measured with sufficient reliability. For certain operational claims reported as contingent liabilities, it is not practical to disclose detailed information on their corresponding nature and uncertainties.

### 3.13 Previous Years Figures

Previous year's figures have been regrouped and rearranged wherever necessary to facilitate comparisons.

## 4 Notes to Accounts

### 4.1 Legal Litigations

CSRC has filed for administrative review in Inland Revenue Department against the tax assessment done by the Inland Revenue Office (IRO), Dhulikhel regarding the applicability of VAT for grants received by the organization. Inland Revenue Department has provided its decision in favor of CSRC through its administrative review decision vide 2079/01/15, and has provided decision that the tax assessment done by IRO Dhulikhel against CSRC shall be deemed invalid. Accordingly, the deposit made by CSRC amounting to NPR 11,385,977 in IRD for the administrative review is under process for refund. The deposit is reflected under Accounts Receivable in the Statement of Financial Position as at 32<sup>nd</sup> Ashad 2079.

### 4.2 Related parties' transactions

CSRC has not undertaken any related parties' transaction be it with relative, friend etc. of employees or Executive Members.

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